

**STATE OF RHODE ISLAND- DIVISION OF TAXATION  
ENTERPRISE ZONE TAX CREDIT FOR DONATIONS**

For 2002 or fiscal year \_\_\_\_\_, 2001 to \_\_\_\_\_, 2002  
Read instructions and file with your RI tax return.

\_\_\_\_\_  
Taxpayer Name

\_\_\_\_\_  
F.E.I. # or S.S. #

\_\_\_\_\_  
Number and Street

\_\_\_\_\_  
City/Town

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**REFER TO INSTRUCTIONS ON REVERSE SIDE**

I. Description of the public supported improvement project in the zone for which the donation was made. (Attach written certification from the city or town.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

II. Zone in which the public supported improvement project is located: \_\_\_\_\_

III. Date of the contribution: \_\_\_\_\_

IV. Calculation of the credit:

Amount of charitable contribution as  
shown on donor's federal tax return

\$ \_\_\_\_\_

@

20%

V. Credit (not more than \$10,000)

\$ \_\_\_\_\_

VI. Credit applied to tax

\$ \_\_\_\_\_

(Enter on appropriate Rhode Island tax form)

**THIS CREDIT IS NOT REFUNDABLE AND HAS NO CARRYFORWARD**

**Read instructions on reverse side of form.**

Taxpayers claiming this credit must complete this form and attach it (and all supporting documents) to the tax return for which the credit is claimed. Limited liability companies, partnerships and 1120S corporations must also supply a schedule showing how the credit is divided among the members, partners or shareholders. In order to properly document their credits, such owners must also attach this credit form and the credit division schedule to their RI personal income tax returns.

## ENTERPRISE ZONE TAX CREDIT FOR DONATIONS

**General:** Any taxpayer shall be allowed a credit of 20% for donations to public supported improvement projects in the zone to the extent that such contribution was allowed and claimed as a charitable contribution on the donor's federal tax return for the tax year in which the donation was made. Accordingly, individuals who do not itemize deductions for federal purposes are not permitted the credit. The credit is available against the tax imposed by chapters 11,13,14., 17 or 30 of title 44.

**Limitations:** The taxpayer must obtain certification from the city or town that the project is an endorsed zone capital improvement project as defined by the Enterprise Zone Council. The taxpayer does not have to be a qualified business in order to use this credit. The taxpayer shall be allowed a maximum credit of \$10,000 per taxable year.

Any tax credit shall not offset any tax liability in taxable years other than the year in which the taxpayer qualifies for the credit and amounts of unused credit may not be carried forward to any other tax year. The credit shall not reduce the tax below the minimum and is not refundable. The credit shall be used to offset tax liability pursuant to the provisions of only one of the chapters of title 44 mentioned above. In the case of a corporation, the credit allowed under this section shall only be allowed against the tax of that corporation included in a consolidated return that qualifies for the credit and not against the tax of other corporations that may join in the filing of a consolidated tax return.

**Dividing the credit:** For those donors which are limited liability companies, partnerships, etc. filing pursuant to Title 44, Chapter 30 RIGL or corporations for which a valid federal Subchapter S election has been made, the credit may be passed through and applied against the Rhode Island personal income tax liability of the owners. The credit is calculated and the form is completed at the donor's reporting level. The credit is then divided among the owners according to their respective ownership interests. The owners will then claim the credit in the same year in which the donor passes the credit through to them.

**Documentation:** A taxpayer claiming this credit must complete this form and provide documentation attached to the Rhode Island tax return consisting of written certification from the city or town that the project was an endorsed zone capital improvement project as defined by the Enterprise Zone Council; receipt from the donee showing the date and valuation of the gift and, as needed, a schedule (s) showing the division of the credit between or among the owners according to their respective ownership interests. Claimants need not send copies of their federal contribution information unless requested by the Division.